



Craig, Fitzsimmons & Michaels, LLP
Certified Public Accountants, Management and IT Consultants

May 10, 2008

To the Board of Commissioners
Davis Park Fire District
P.O. Box 702
Patchogue, NY 11772

Dear Members of the Board:

We have audited the financial statements of the Davis Park Fire District (the District) for the year ended December 31, 2007 and have issued our report thereon dated May 10, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our audit engagement letter, dated February 23, 2008, our responsibilities, as described by professional standards, is to express an opinion about whether the Annual Update Document is fairly presented, in all material respects, in conformity with the Uniform System of Accounts (USA) for Districts with Budgets under \$500,000 (commonly referred to as the cash basis of accounting). You are responsible for the fair presentation of your financial information, as well establishing and maintaining internal control over financial reporting and for your compliance with laws, regulations, contracts and agreements. Our audit of your financial statements does not relieve you or your management of your oversight responsibilities.

1. Our responsibility is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement.
2. As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
3. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Because an audit is designed to provide reasonable, but not absolute assurance, and because we did not perform a detailed examination of all transactions, there is a risk that a material misstatement may exist and not have been detected by us.

Planned Scope and Timing of the Audit

We performed our audit according to the planned scope and timing previously communicated to you in our audit-planning memorandum.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in our report and we have no professional obligation to perform procedures to corroborate such other information. In the event the financial statements are incorporated into a printed document, please forward a printer's proof for our approval before final production.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described Note 1 to the financial statements.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. It is our opinion that there are no particularly sensitive estimates in your cash basis financial statements.

Audit Adjustments

For the purpose of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the District, individually or taken together, indicate matters that could have a significant effect on the District's financial reporting process. Management has reviewed all the proposed audit adjusting entries and is in agreement with the presentation of these adjustments in the audited financial statements.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements of the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Other Matters

In planning and performing our audit of the financial statements of the District for the year ended December 31, 2007, we considered your internal control structures in order to help us determine the nature, timing and extent of our audit procedures. These procedures were designed to allow us to formulate an expression of our audit opinion as to the fairness of your financial statement presentation and disclosures. Our work in this regard was not designed for, nor intended to provide you with assurances on your internal controls. However, during the course of our audit we did note certain matters involving your control framework and its operation in addition to those mentioned above that we recommend be addressed, however none of these additional findings are considered to be significant deficiencies in controls. Enclosed with this letter we have detailed certain recommendations related to financial controls we believe will help to strengthen your overall control environment.

Conclusion

We would like to take this opportunity to re-emphasize the conditions noted herein that were considered in the nature, timing and extent of our audit testing and would not necessarily disclose all matters involving internal control that might be control deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are considered to be material weaknesses as defined by the AICPA. Also of significance to note is that any internal control system is subject to inherent limitations in its design and operation, this means that errors or frauds could occur and not be detected by such controls.

This report is considered to be a SAS 114 Communication, as such it is intended solely for the information and use of the Board of Directors of the District. It is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Craig, Fitzsimmons & Michaels, LLP".

Robert R. Craig, Engagement Partner
Craig, Fitzsimmons & Michaels, LLP

